



# Department of Justice

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## **JUSTICE DEPARTMENT SUSPENDS INVESTIGATION OF ENTERCOM COMMUNICATIONS PURCHASE OF N.Y. RADIO STATIONS FROM CBS CORPORATION**

### ***Entercom Plans to Sell Three Rochester Radio Stations to Eliminate Need for Further Justice Department Investigation and to Comply with FCC Ownership Rules***

WASHINGTON — The Department of Justice today announced that it has suspended its investigation of Entercom Communications Corporation's proposed acquisition of New York radio stations from CBS Corporation as long as the companies sell three Rochester radio stations as planned. Entercom informed the Department that it planned to divest the three Rochester stations in order to avoid the need for further investigation by the Justice Department and to comply with the Federal Communications Commission's (FCC) local ownership rules. The investigation arose from Entercom's proposed \$262 million acquisition of 15 radio stations from CBS in Austin, Texas; Cincinnati, Ohio; Memphis, Tenn.; and Rochester, N.Y.

The Department's Antitrust Division had focused its investigation on the Rochester area in which Entercom already owns four radio stations – one AM and three FM – and would acquire four additional FM stations from CBS. The Department was investigating whether Entercom's ownership of eight radio stations in the Rochester area, accounting for more than 57 percent of radio advertising revenue, would reduce competition and raise the price of radio advertising in that market.

The FCC's local ownership rules prohibit Entercom from owning more than five FM stations in one area and would require Entercom to sell two stations. Prior to the conclusion of the Department's antitrust investigation, Entercom advised the Department that it planned to sell CBS's WRMM-FM and WZNE-FM and Entercom's WFKL-FM to a third party. The Department determined that this sale would reduce Entercom's post-transaction share of Rochester radio advertising revenues to about 40 percent. Based on the reduced share of revenue and the characteristics of the radio stations being sold, the Department concluded that it would not have reason to continue its investigation if the proposed sale is completed.

Entercom and CBS have agreed to complete the planned sale – or the sale of an alternative group of Rochester stations that would be subject to Department approval – within three months to a buyer approved by the Department. If the planned sales do not take place, the Department may renew its investigation and could file a complaint and a proposed consent decree in court that would require divestiture of the three Rochester, N.Y. stations.

Entercom, headquartered in Bala Cynwyd, Pa. owns radio stations in 20 markets nationwide. Its 2005 annual revenues were \$432.5 million.

CBS is headquartered in New York, N.Y. Its radio segment owns and operates 179 radio stations in 40 markets nationwide. In 2005, it earned \$14.5 billion in revenues, approximately 15 percent of which was generated by its radio segment.

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